

Appendix 3A
System Impact Study Agreement and
Proof of Payment

**APPENDIX 3 to LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this 9th day of October, 2009 by and between SolarReserve, LLC, a limited liability corporation organized and existing under the laws of the State of California, ("Interconnection Customer") and Western Area Power Administration, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated January 14, 2009; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study); and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any

modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

- 5.0 The Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is December 15, 2009.

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid in advance by, or refunded to, Interconnection Customer, as appropriate. Interconnection Customer shall pay amounts in excess of the deposit within thirty (30) Calendar Days of receipt of invoice.

- 7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions,

to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

8.0 This Agreement incorporates by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

WESTERN AREA POWER ADMINISTRATION

By _____

Title _____

Address _____

Date _____

SOLARRESERVE, LLC

(SEAL)

By *[Signature]*

Attest:

Title *Vice President*

By _____

Address *2425 Olympic, Suite 500E*

Title _____

Santa Monica, CA 90404

Date *10/9/09*

**Attachment A To Appendix 3
Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied: One (1) interconnection on the Parker-Blythe 161-kV line.

COMPENSATION TO WESTERN BY SOLARRESERVE

SOLARRESERVE shall advance the estimated cost specified in the Service Agreement (Agreement) to Western in order to perform the work described in the Agreement.

If you are sending your payment via **Electronic Funds Transfer**, (New York Federal Reserve Bank), please provide your bank with the following information:

ABA (Routing Identifier): 021030004
ALC (Agency Locator Code): 890001602

If you are sending your payment via **Automatic Clearing House**, (Richmond Federal Reserve Bank), please provide your bank with the following information:

ABA (Routing Identifier): 051036706
Account Number: 312003

Western shall apply the funds to the cost of performing the work identified in the Agreement.

Western shall be under no obligation to perform any work until such funds have been received.

In the event the funds advanced by SOLARRESERVE are insufficient, SOLARRESERVE shall, within twenty (20) days after receipt of written notice from Western, advance such additional funds as required by Western. Western shall be under no obligation to return to SOLARRESERVE any funds which are expended for activities specified in the Agreement. All costs for work performed by Western will be determined by Western.

Rice Solar Energy Project

Proof of Payment to Western Area Power Administration for the System Impact Study

Confirmation # 1013L2LFCK1C001123

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CNE INQUIRY FUNCTION SND:09/10/13TRN:20091013-00003611

SRCWEB

RPT# AMT 50,000.00CURUSD RATE

TEST: TYP:FTR MTP:1000 ENDS:S CHG:DEN CDN COMN CBLN

DEBT D/112860452/ CDT*A/021030004 ADV FED

DEBIT VAL: 09/10/13 CREDIT VAL: 09/10/13

DEPT: 001 RTC: DEPT: 057 RTC:

SOLARRESERVE, LLC TREAS NYC/FUNDS TRANSFER DIVISION

2425 OLYMPIC BLVD SUITE 6040W NEW YORK, NY

SANTA MONICA CA 90404

SNDR REF NUM 0000000000969687 BNF /89001602 CH: BK?N

ORIG / Western Area Power Administration

REF NUM SolarReserve LLC US Dept. of Energy, File #4185

PO Box 894185

Los Angeles, CA

ORIG TO BNF INFO:

Deposit Interconnection System

Impact Study

-Los Angeles, CA

Already on last page.

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